

# LESSON PLAN

## TRAINING ORGANIZATIONAL REPRESENTATIVE PAYEES



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## **INTRODUCTION**

In 1939, Congress passed legislation granting SSA authority to appoint representative payees for beneficiaries judged incapable of managing or directing someone else to manage their benefits. Now, more than 48 million beneficiaries are served by SSA, and about 6.5 million of these beneficiaries have representative payees. Years ago, these vulnerable beneficiaries were helped mainly by family members or close friends. Now, there is a need for more organizational payees to assist these beneficiaries.

SSA's preference for a payee is still a family member or close friend. When family and friends are unable to serve as representative payee, SSA looks to qualified organizations to fill the void. In general, organizations make good payees because, either through their own experience or their networks, they are more aware of the services and resources available within their community.

In recent years, the Representative Payment Program has received attention from:

- the Federal Courts;
- Congress;
- the media; and
- advocacy groups

In both 2000 and 2001, SSA testified at Congressional hearings about our representative payment policies. The recent Congressional interest increased when a “20/20” TV segment aired showing SSA beneficiaries being forced to live on the street, due to embezzlement of their funds by the Executive Director of the organization.

In order to protect our beneficiaries we are strengthening our policies and procedures and we are also increasing training, education and awareness to those who serve as payee. We are making periodic visits to organizations to:

- (1) review financial records,
- (2) explain reporting requirements,
- (3) answer questions, and
- (4) obtain feedback from beneficiaries.

We have found that these face-to-face meetings provide an excellent opportunity to clarify procedures and improve lines of communication between SSA and organizations. We also are committed to providing organizational payees with training and informational materials to help you meet your responsibilities as representative payees.

We designed this workshop/conference to provide you with training that will



give you an overview of the duties and responsibilities of a representative payee. If you have been providing payee services for a while, this workshop/conference will be “refresher training.” If you are new to the world of representative payee services, then this workshop/conference will introduce you to payee services and give you a lot of information that will help you do your job. By working together to serve “our” clients, we can make a difference in their lives.

In addition to the PowerPoint slides being shown today, we have a video produced by the Social Security Administration that will supplement this training. The video, as well as a CD that has all of the materials that we have here today, is available from SSA upon request.

Included in your binder, are three publications:

***A Guide for Representative Payees***

We send this booklet to every payee at the time of appointment along with the award letter.

***What You Should Know When A Representative Payee Manages Your Money***

We send this pamphlet to every legally competent adult beneficiary with a payee at the time of the payee’s selection.

*Guide for Organizational Representative Payees*

We distribute this booklet to organizational payees currently on our records and give it to new payees at application time. This booklet includes material that will supplement information covered today. The materials and the information that you take back from this workshop/conference will help you with your payee services. And, of course, if you have any questions or need copies of any of these publications, feel free to give us a call at (local office number) or the toll-free number, **1-800-772-1213**. We will be happy to assist you.

## **HANDOUTS/REFERENCE MATERIAL**

Following is a list of booklets and forms referenced in this training package. Use these during the lesson as appropriate. Individual instructors should tailor the lessons and reference materials to fit their needs.

Publications displaying an "\*" are available from our website  
<http://www.ssa.gov/pubs/>

Those displaying "\*\*\*" are available from our website  
<http://www.ssa.gov/payee/>

### **SSA PUBLICATIONS**

#### Social Security Program

- \**Understanding the Benefits* -- Publication No. 05-10024
- \**Retirement Benefits* -- Publication No. 05-10035
- \**Disability Benefits* -- Publication No. 05-10029
- \**Survivors Benefits* -- Publication No. 05-10084
- \**Working While Disabled...How We Can Help* -- Publication No. 05-10095
- \**Basic Facts* -- Publication No. 5-10080

#### Supplemental Security Income Program

- \**A Guide to SSI for Groups and Organizations* -- Publication No. 05-11015
- \**What You Need To Know When You Get SSI* -- Publication No. 05-11011
- \**Understanding Supplemental Security Income* -- Publication No. 17-008

### Representative Payment Program

\* *A Guide for Representative Payees* -- Publication No. 05-10076

\*\* *What You Should Know When A Representative Payee Manages Your Money* -- Publication No. 05-10097

\*\* *Guide for Organizational Payees* -- Publication No. 17-013

### **SSA FORMS**

SSA-11 BK -- Request to be Selected as Representative Payee

SSA-623 F6 -- Representative Payee Report

SSA-6233 BK -- Representative Payee Report--Dedicated Accounts

\*\* Sample beneficiary/Representative Payee Contract

### **SSA WEB PAGES**

<http://www.ssa.gov>

<http://www.ssa.gov/payee>

# UNIT 1

## **SOCIAL SECURITY PROGRAMS**

- What programs does the Social Security Administration (SSA) administer?
- What is the Retirement, Survivors and Disability Insurance (RSDI) Program?
- What is the Supplemental Security Income (SSI) program?

## **UNIT 1**

### **SOCIAL SECURITY PROGRAMS**

#### **■ What programs does the Social Security Administration (SSA) administer?**

SSA administers two major benefit programs. The largest is the **Retirement, Survivors and Disability Insurance (RSDI)** program, commonly referred to as the **Social Security** program. This program provides income for qualified workers who retire or become disabled and to their dependents or survivors. This is an earned benefit.

The second is the **Supplemental Security Income (SSI)** program which provides income for aged, blind and disabled persons and is a needs based program.

## ■ What is the Retirement, Survivors and Disability Insurance (RSDI) program?

The **RSDI** program (**Social Security**) is a social insurance program that protects workers and their families from loss of earnings because of retirement, death or disability.

We pay Social Security benefits under Title II of the Social Security Act. These payments are financed through payroll taxes from employees, employers, and the self-employed. This tax is referred to as FICA.

As you work and pay Social Security taxes, you earn “credits” that count toward eligibility for future Social Security benefits. To be eligible to receive these benefits on your own work record, you must be age 62 or older, or disabled; and be “insured” by having earned the required credits.

Social Security pays monthly retirement, survivors, and disability benefits to workers and their families.

### **Retirement** benefits

Retirement benefits are payable at full retirement age (65 for workers born before 1938) and a reduced benefit is available as early as age 62.

Full retirement age is 65 for workers born before 1938 and gradually increases until it reaches 67 for workers born in 1960 or later.

### **Survivors** benefits

If the worker dies, certain family members may be eligible for benefits if the worker earned enough Social Security credits.

### **Disability** benefits

Disability benefits are payable at any age to workers (and their qualified dependents) who have enough Social Security credits and who suffer a physical or mental condition that prevents them from performing any significant kind of work and is expected to last at least 12 continuous months or result in death. We periodically review disability cases to be sure the beneficiary continues to be disabled. These reviews are called “continuing disability reviews” (CDRs). We may ask for new medical evidence and also ask the beneficiary to undergo special examinations or tests.



## **Events that may affect the entitlement of the worker to Social Security benefits:**

Medical condition improves

Employment changes such as starting or stopping work

Custody change if a person in your care dies, leaves your care or custody

Marital status changes -- marriage, divorce, annulment of marriage

School attendance changes if the beneficiary is age 18 or over

Failure to report these changes promptly to the Social Security

Administration and to return any benefit check that the beneficiary may no longer be entitled to may result in an overpayment that must be repaid. You can make your reports by telephone, mail or in person, whichever you prefer. You can reach SSA at **1-800-772-1213** or call your local Social Security Office. SSA will advise you if additional evidence is needed and how the benefits may be affected. Unit 6 of this lesson plan includes a comprehensive list of reporting requirements for **Social Security** benefits.

## **Medicare**

Medicare, which is administered by the The Centers for Medicare and Medicaid Services (CMS) is the federal health insurance program for people

age 65 or older or if under age 65 after 24 continuous months of disability benefits. Medicare has two parts:

Hospital insurance (sometimes called Part “A”) helps pay for inpatient hospital care and certain follow-up services. Part A is financed by a part of the Social Security tax and has no premium.

Medical insurance (sometimes called Part “B”) helps pay for doctors’ services, outpatient hospital care and other medical services. Part B is financed from monthly premiums paid for by those covered.

For more information about Medicare coverage, call the toll free Medicare Hotline at **1-800-MEDICARE** (1-800-633-4277) to speak to a Medicare Customer Representative. You can also reach CMS on the internet. Type <http://www.cms.hhs.gov> or <http://www.medicare.gov> to access Medicare information.

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### **Medicaid**

Medicaid is a joint federal-state health insurance program, administered by the state. States have some discretion in determining which groups of people Medicaid will cover and the financial criteria for Medicaid eligibility. States usually provide Medicaid for individuals who receive federally funded cash assistance payments such as SSI. In many states, an SSI application also serves as a Medicaid application. For more information about Medicaid, contact the beneficiary's medical assistance (Medicaid) agency, social service or welfare office.

## ■ What is the Supplemental Security Income (SSI) program?

**SSI** is a federal income maintenance program designed to provide cash assistance for aged, blind or disabled persons with little or no income or resources.

SSI payments are paid under Title XVI of the Social Security Act and are financed from the federal general revenues and not from Social Security taxes.

Who can get SSI?

To get SSI, an individual must be a resident of the U.S., including the District of Columbia and the Northern Mariana Islands and be

Age 65 or older; or

Blind; or

Disabled and

Have limited income and resources.

You must also be a U.S. citizen or lawfully admitted qualified alien. (Some noncitizens can qualify for SSI. Ask for the factsheet, “*SSI for*

*Noncitizens*,” Publication No. 05-11051, for information about who can qualify.)

SSI isn’t just for adults. Children as well as adults can get SSI benefits because of blindness or disability. Whether an individual can get SSI also depends on their income and resources. The income and resources of children may involve counting some of their parents’ income and resources as well. The term “income” means anything received that can be used to meet the needs for food, clothing or housing. It includes cash, checks, items received “in kind,” such as food and housing, and many items that would not be considered income for federal or other tax purposes. Pages 12-20 of the booklet “*Social Security--A Guide to SSI for Groups and Organizations*,” explains the income and resource requirements in detail. Also, “*Understanding Supplemental Security Income*” is a valuable booklet, which informs you about SSI eligibility requirements and processes.

How much an individual can get from SSI depends on other income and where the beneficiary lives. The full basic monthly SSI check is the same in all states. Some states supplement the basic rate, so the beneficiary may get more if they live in one of these states. Pages 10-12 of “*Social Security--A Guide to SSI for Groups and Organizations*” explain how SSI payments are figured and detail the state services available for SSI recipients. Individuals receiving SSI payments receive their payments on the first day of the month.

The law requires that we regularly review each case to ensure continued eligibility for an SSI payment and the payment is correct. This review is called a redetermination.

For a redetermination, we will ask the recipient or representative payee to provide information about:

- income
- bank accounts
- resources
- living arrangements

In some cases, the redetermination will be conducted by mail or telephone. In other cases, we will ask the recipient or representative payee to visit the Social Security office for an interview. Local Social Security offices notify recipients or representative payees by mail when it is time for the redetermination.

Also, we periodically review disability cases to be sure that the recipient continues to be disabled. We may ask for new medical evidence and ask the recipient to undergo special examinations or tests. The frequency of these “continuing disability reviews” (also known as CDR's) depends primarily on the severity of the impairment and the expectation of improvement.

**Events that may affect entitlement to SSI:**

Medical condition improves

Work changes, such as starting or stopping work

Marital status changes – marriage, divorce, annulment of marriage

Changes in household (someone moves in\out of the place where the recipient lives) or recipient moves

Changes in income or resources

Incarceration

Failure to report these changes promptly to SSA and to promptly return any benefit check that the recipient may no longer be entitled to may result in an overpayment that must be repaid. You can make your reports by telephone, mail or in person, whichever you prefer. SSA will advise you whether any additional evidence is needed and how the benefits may be affected.

**Unit 5 of this lesson plan includes a comprehensive list of reporting requirements for SSI benefits.**

# **UNIT 2**

## **OVERVIEW OF REPRESENTATIVE PAYMENT**

- What is the representative payment program?
- What is a representative payee?
- What is an organizational representative payee?
- What is an institutional representative payee?
- Who needs a representative payee?
- What about power of attorney?



## **UNIT 2**

### **OVERVIEW OF REPRESENTATIVE PAYMENT**

#### **■ What is the representative payment program?**

The representative payment program assists the most vulnerable members of society -- the young, the elderly, and the disabled who are not capable of managing or directing someone else to manage their benefits. While most people receive their benefits directly, others need assistance. We pay these people through representative payees who receive and manage monthly payments on behalf of the beneficiary. SSA finds a payee who will act in the best interests of the beneficiary. SSA recognizes that representative payment works best when there is collaboration between SSA, the payee and the beneficiary. By providing representative payees with a clear understanding of their role, and providing support to execute their duties, we can ensure that benefits are used in the best interest of our beneficiaries.

### ■ What is a representative payee?

A person, agency, organization or institution selected to receive and manage benefits on behalf of an incapable or legally incompetent beneficiary. This includes a parent who is receiving benefits on behalf of his/her minor child.

### ■ What is an organizational representative payee?

An **organizational representative payee** is a business, company or the like, and includes a social service agency, state or local government agency, or a financial organization that manages benefits on behalf of an incapable beneficiary.

### ■ What is an institutional representative payee?

An **institutional representative payee** is a specific type of organizational payee who provides care and treatment for the beneficiaries who reside in the institution or in off-site facilities affiliated with the institution (i.e. nursing homes, hospitals, group homes or a halfway house).

### ■ Who needs a representative payee?

Beneficiaries who are unable to manage or direct the management of their money need a payee. These beneficiaries fall into three basic categories:

Children -- almost all children under age 18 have payees

Beneficiaries determined by a court of law to be legally incompetent

Beneficiaries determined by SSA to be incapable of handling their money.

**Representative payment is not a convenience.** SSA selects a payee when someone is not able to manage or direct the management of their finances because of their age, or a mental or physical impairment. SSA will never appoint a representative payee solely for a beneficiary's convenience or their personal preference.

If a beneficiary is receiving their Social Security or SSI payments directly and you believe they have lost the ability to manage their money, you should report this to SSA. SSA will determine if the beneficiary is incapable and appoint a payee as appropriate.

Likewise, if you are a payee for someone who is showing signs of improvement, and you think they may be able to manage their own money,

report this to SSA. We will schedule an interview with the beneficiary to determine whether he/she is now capable of handling his or her own payments.

### ■ What about power-of-attorney?

For Social Security purposes having power-of-attorney or a joint bank account with the beneficiary **IS NOT** the same thing as being a representative payee. Although power-of-attorney may be a convenient way to pay bills and handle some legal matters, it does not include provisions for the responsibility and accountability that Social Security requires of its representative payees. Therefore, even if you have power-of-attorney, you must apply with the Social Security Administration to be a representative payee to receive and manage the beneficiary's Social Security/SSI payments.

Likewise, being a Social Security representative payee does not entitle an individual to manage any funds that are not Social Security/SSI payments.

## **UNIT 3**

### **SELECTION OF A REPRESENTATIVE PAYEE**

- When does SSA look for an organization to be the representative payee?
- How does an organization apply to be representative payee?
- How does SSA select a representative payee?
- Does SSA notify the current payee when there is a request for a change of payee?
- What does an organizational representative payee need to do if it wishes to stop being a payee?
- What informational materials are available for an organizational payee?

## **UNIT 3**

### **SELECTION OF A REPRESENTATIVE PAYEE**

- **When does SSA look for an organization to be the representative payee?**

**SSA looks first to relatives or close friends when looking for a representative payee.** If they are not available, we look to other community sources and organizations. SSA offices maintain lists of community representative payee sources for use in cases where family members or friends are not readily available.

Disabled adults who are determined by SSA to be incapable, and who SSA has determined to have a drug addiction and/or alcoholism condition must have a payee. **Appointment of organizational representative payees** for these beneficiaries is preferred; although, in certain cases SSA may select a family member. These organizations and agencies are aware of the special needs of these individuals and how financial resources can help meet those needs.

■ **How does an organization apply to be a representative payee?**

To apply to be a representative payee for someone you should contact the nearest SSA office to complete an application (SSA-11-BK – “Request to be Selected as Payee”). SSA requires you to complete the application in a face-to-face interview so that we can determine your suitability to serve as a representative payee. We require documented proof of identity (something to show that you are employed by the organization you are representing) and the organization's employer identification number (EIN). We ask for the current mailing and location address of the organization, and bank account information for direct deposit.

**See Unit 14 -- DIRECT DEPOSIT**

We ask you to provide adequate information describing your responsibility for the care of the beneficiary. We ask you to provide names of any family members who show interest in the beneficiary. We also check our records to determine if you have previously been a representative payee and if there were any problems with your prior performance as payee.



Subsequent face-to-face interviews may not be required at application time once your organization is known by the local Social Security office as a suitable payee. We make this decision based upon your organization's past performance, recent contacts with the office, and your knowledge of reporting requirements. When staffing changes occur in an organization, it is likely that additional guidance will be required from our local office. You may ask, or the local office may ask you to come into the office and discuss your organization's reporting responsibilities and to obtain any other information or training needed to perform your duties as a representative payee.

**Distribution of the "*Guide for Organizational Representative Payees*" should be made to the audience at this time or if included in the binder, refer to it at this time.**

### ■ How does SSA select a representative payee?

SSA gives special attention to those vulnerable beneficiaries who have no relatives or close friends to assist them in the day-to-day management of their lives. We must be particularly careful in determining and selecting a payee for these beneficiaries.

We investigate an organizational representative payee applicant during the interview process to determine suitability to serve as representative payee. During the face-to-face interview we:

Determine the organization's relationship to the beneficiary,

Discuss the organization's qualifications,

Discuss the organization's ability to carry out the responsibilities of a representative payee,

Explain the representative payee duties,

Explain representative payee reporting responsibilities (a list of these responsibilities is attached to the SSA-11 application), and

Explain the liability for not reporting changes to SSA.

■ **Does SSA notify the current payee when there is a request for a change of payee?**

If you file to be payee for someone who already has a payee, we will generally contact the current payee for his/her views. We will investigate thoroughly any allegations or questions raised about the current payee's continued suitability to serve before determining if we need to change the payee. SSA will send a notice advising that payee if and when the change is processed.

■ **What does an organizational representative payee need to do if it wishes to stop being a payee?**

You must notify Social Security immediately if you no longer wish to be the representative payee for a beneficiary. This is important because we need to begin the process of locating a new payee.

When you are no longer responsible for the beneficiary, you must return any conserved benefits, including interest and cash on hand belonging to that beneficiary to SSA. The funds will be reissued to the beneficiary or to a new payee.

**■ What informational materials are available for an organizational payee?**

A “*Guide for Organizational Representative Payees*,” SSA Pub. No. 17-013, is available in your local Social Security office. It provides guidelines and suggestions to assist you in understanding the representative payment program.

An instructional guide titled “*A Guide for Representative Payees*,” SSA Pub. No. 05-10076, is mailed to the selected payee once SSA makes the decision as to who will best serve the interests of the beneficiary. Additional copies of this guide are also available in your local SSA office.

“*What You Should Know When a Representative Payee Manages Your Money*,” SSA Pub. No. 05-10097, was first published in December of 1999. It is the first booklet written exclusively for adult beneficiaries with representative payees. The beneficiary receives a copy of this booklet with the advance notice advising them that they need a payee and whom we have selected to be their payee. Many organizations have found this booklet useful when having discussions with their clients.

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**SELECTION OF A REPRESENTATIVE PAYEE**

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SSA has developed a video “*Training for Organizational Payees*” which summarizes an organization's role as representative payee. The video is available through your local SSA office or you can request a copy by e-mail at [organizationalpayeetrainingcampaign@ssa.gov/](mailto:organizationalpayeetrainingcampaign@ssa.gov/)

Please provide your organization's name, your name, and your organization's mailing address and phone number. We will send a copy of the video to you.

A CD that has the training video, the PowerPoint slide show, the handouts, the lesson plan and the publications is also available for in-house training and can be requested from SSA and also by e-mail at the same address as listed above.

SSA also has a representative payee website, <http://www.ssa.gov/payee> that contains informational materials and frequently asked questions. You can also make requests for publications, copies of the video and copies of the CD on the payee web site.

# **UNIT 4**

## **DUTIES OF AN ORGANIZATIONAL REPRESENTATIVE PAYEE**

- **What duties must an organizational representative payee perform?**
- **What other ways can a representative payee help the beneficiary?**
- **Are there any new programs that organizational payees should be aware of?**

## **UNIT 4**

### **DUTIES OF AN ORGANIZATIONAL REPRESENTATIVE PAYEE**

#### **■ What duties must an organizational representative payee perform?**

The most important duty of all payees is to know the needs of each beneficiary and to use the benefits in the best interest of the beneficiary. As an organizational representative payee, you must use all payments received from SSA for the individual's current needs or (if not currently needed) save them for his/her future needs. Periodically, SSA will ask you to complete a form to report on the use of benefits.

**See Unit 11 - Keeping Records and Accounting for Benefits**

#### **An organizational representative payee must agree to:**

Use the payments for the beneficiary's current needs and save the remainder for the beneficiary's future use.

File an accounting report on how you used the payments and make all supporting records available for review if requested by SSA.

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**DUTIES OF AN ORGANIZATIONAL REPRESENTATIVE PAYEE**

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Reimburse the amount of any loss suffered by any beneficiary due to misuse of Social Security and/or SSI funds by your organization.

Notify SSA when the beneficiary dies, leaves your organization's custody or otherwise changes his/her living arrangements, or he/she is no longer your organization's responsibility.

Comply with the conditions for reporting certain events (see section on reporting responsibilities given to you at application time which your organization will keep for their records) and for returning checks the claimant is not due.

File an annual report of earnings if required.

Notify SSA as soon as you can no longer serve as representative payee or the beneficiary no longer needs a payee.

Return conserved funds if you stop being payee.



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**DUTIES OF AN ORGANIZATIONAL REPRESENTATIVE PAYEE**

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**You may be held personally liable for repayment of any funds not used for the beneficiary's needs (misuse of funds) or if you are at fault for any overpayment of benefits.** A payee found guilty of misuse of Social Security and/or SSI benefits may be punished under Federal law by fines, imprisonment or both.

**Reminder:** Being appointed a Social Security representative payee does not authorize you to enter into binding contracts for a beneficiary, unless the payee is the beneficiary's parent or legal guardian, or the beneficiary has granted the payee a “power of attorney.”

■ **What other ways can a representative payee help the beneficiary?**

A representative payee acts on behalf of the beneficiary and is responsible for things related to benefits and payments that the beneficiary would ordinarily do for him or herself. Although not required, we encourage you to go beyond managing finances and to be actively involved in the beneficiary's life.

- Meet regularly with the beneficiary (preferably face-to-face);
- Establish a budget, discuss it with the beneficiary, and involve him/her as much as possible in financial decisions;
- Explain Social Security and/or SSI payments and the beneficiary's expenses to him or her;
- Ensure that the beneficiary is aware of current and large retroactive payments and what the beneficiary's options are in regard to entitlement and overpayments for SSI and/or Medicaid;
- Help the beneficiary find other services he or she needs (e.g., food stamps, housing subsidies, etc.);
- Help the beneficiary fill out applications for other needed services and cooperate with caseworkers;
- Help the beneficiary get medical treatment, when necessary;
- Negotiate with landlords and others to get "the best possible deal" for the beneficiary;

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**DUTIES OF AN ORGANIZATIONAL REPRESENTATIVE PAYEE**

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Help the beneficiary file income tax returns. Note that the beneficiary may owe taxes on Social Security payments or may be due a refund.

Also, the beneficiary may be entitled to an earned income tax credit (EITC) that can be paid throughout the year or included in the federal income tax calculation; and

Recommend an alternate person or agency if you can no longer serve as a representative payee for the beneficiary(ies).

■ **Are there any new programs that organizational payees should be aware of?**

Yes, there is the Ticket to Work Provisions for people with disabilities. One of SSA's highest priorities is to help people with disabilities achieve independence by helping them to take advantage of employment opportunities. For this reason, SSA has in place special initiatives to assist people with disabilities in this process. Some of these initiatives are as follows:

An increase in the choices that beneficiaries have in obtaining rehabilitational and vocational services, and

Removing the barriers that require people with disabilities to choose between health care coverage and work.

Representative payees for people with disabilities need a working knowledge of the technical provisions involved so that you can advise your clients appropriately and recognize when to seek case-specific guidance from SSA.

For additional information on the Ticket To Work Provisions, please refer to the following:

*“Work Incentives For People With Disabilities” –*

Publication No. 64-030

*“Ticket to Work and Work Incentives Improvement Act of 1999” –*

Publication No. 05-10060

We also post up-to-date information about the latest developments on our Ticket to Work website at [www.ssa.gov/work](http://www.ssa.gov/work)

And, of course, you can contact your local Social Security office for information.

# UNIT 5

## REPORTING RESPONSIBILITIES

- What does an organizational representative payee need to report to SSA?
- Reporting Requirements for SOCIAL SECURITY BENEFITS
- Reporting Requirements for SUPPLEMENTAL SECURITY INCOME PAYMENTS
- If an organization is receiving SSI payments for a child, is there anything special required?
- Information regarding the death of a beneficiary
- What is the organizations' liability and responsibility for an overpayment?

## **UNIT 5**

### **REPORTING RESPONSIBILITIES**

#### **■ What does an organizational representative payee need to report to SSA?**

You must report to SSA any changes in your (the payee's) circumstances that would affect your performance as payee. Also, be sure to notify SSA if your organization's address changes.

**Reporting requirements are shown on the next couple of pages.**

You must make timely reports to your local Social Security office by telephone, mail or in person regarding events that may affect a beneficiary's benefits. A beneficiary's benefits may stop if any of the events listed under "Reporting Requirements" for Social Security or SSI occur. When you make a report, we will tell you the effect of the event and whether the Social Security or SSI benefits need to be returned.

Your reporting responsibilities differ depending upon whether the beneficiary is receiving Social Security benefits or SSI payments. Some beneficiaries receive payments from both programs and for these beneficiaries you will receive both sets of reporting responsibilities at the time of application.

**You may wish to incorporate a fun segment here. You may get the message across better if you use some kind of trivia game centered around events to report. This can be done now or at the end of this Unit.**

**The reporting responsibilities are at the end of the SSA-11 application -- pages 5, 7, 9, and 11 (the responsibilities vary depending on the entitlement.) Explain that a discussion of these responsibilities should be held during the face-to-face interviews with the organization.**

**The reporting responsibilities are printed on the following pages.**



### **Reporting Requirements for SOCIAL SECURITY Benefits**

**(These reporting responsibilities are on page 5 of the SSA-11 and the payee applicant receives a copy when they apply to be payee.)**

Representative payees who receive **Social Security** benefits must notify SSA promptly if any of the following events occur and promptly return any payment to which the claimant is not entitled:

- the beneficiary **dies** (Social Security entitlement ends the month before the month the beneficiary dies);
- the beneficiary **marries** (when the beneficiary is entitled to child's, widow's, mother's, father's, widower's, or parent's benefits, or to wife's or husband's benefits as a divorced wife/husband, or to special age 72 payments);
- the beneficiary's marriage ends in **divorce or annulment**, if the beneficiary is entitled to wife's, husband's or special age 72 payments;
- the beneficiary's **school attendance** changes if the beneficiary is age 18 or over and entitled to child's benefits as a full time student;
- the beneficiary is entitled as a stepchild and the parents **divorce** (benefits terminate the month after the month the divorce becomes final);
- the beneficiary is under **full retirement age (FRA)** and **works** for more than the annual limit (as determined each year) or for more than the allowable time (for work outside the United States);
- the beneficiary receives a **government pension or annuity** or the amount of the annuity changes, if the beneficiary is entitled to husband's, widower's, or divorced spouse's benefits;
- the beneficiary leaves your custody or care or otherwise **changes address**;
- the beneficiary **no longer has a child in care**, if he/she is entitled to benefits because of caring for a child under age 16 or who is disabled;
- the beneficiary is confined to jail, prison, penal institution or correctional facility for **conviction of a crime**;
- the beneficiary is confined to a public institution by court order in connection **with a crime**.

If the **beneficiary is receiving disability benefits**, you must also report if:

- the beneficiary's **medical condition improves**;
- the beneficiary **starts working**;
- the beneficiary applies for or receives **worker's compensation benefits**, Black Lung Benefits from the Department of Labor, or a public disability benefit;
- the beneficiary is **discharged from the hospital** (if now hospitalized).

If the **beneficiary is receiving special age 72 payments**, you must also report if:

- the beneficiary or spouse becomes **eligible for periodic governmental payments**, whether from the U.S. Federal government or from any State or local government;
- the beneficiary or spouse receives **Supplemental Security Income** or **public assistance cash benefits**;
- the beneficiary or spouse **moves** outside the United States (the 50 States, the District of Columbia and the Northern Mariana Islands).

### Reporting Requirements for SUPPLEMENTAL SECURITY INCOME (SSI) Payments

**(These reporting responsibilities are on page 7 of the SSA-11 and the payee applicant receives a copy when they apply to be payee.)**

Representative payees who receive **SSI** payments must notify the SSA promptly if any of the following events occur and promptly return any payment to which the beneficiary is not entitled:

- the beneficiary or any member of the beneficiary's household **dies** (SSI eligibility ends with the month in which the beneficiary dies);
- the beneficiary's **household changes** (someone moves in/out of the place where the beneficiary lives);
- the beneficiary **leaves the U.S.** (the 50 states, the District of Columbia, and the Northern Mariana Islands) for 30 consecutive days or more;
- the beneficiary **moves** or otherwise changes the place where he/she actually lives (including adoption, and whereabouts unknown);
- the beneficiary is **admitted to a hospital**, skilled nursing facility, nursing home, intermediate care facility, or other institution;
- the **income** of the beneficiary or anyone in the beneficiary's household **changes**; (this includes income paid by organization as employer)
- the **resources** of the beneficiary or anyone in the beneficiary's household changes; (this includes when conserved funds reach over \$2,000)
- the beneficiary or anyone in the beneficiary's household **marries**;
- the marriage of the beneficiary or anyone in the beneficiary's household ends in **divorce or annulment**;
- the beneficiary **separates** from his/her spouse;
- the beneficiary is confined to jail, prison, penal institution or correctional facility for **conviction of a crime**;
- the beneficiary is confined to a public institution by court order in connection **with a crime**;
- the beneficiary **left a jurisdiction within the U.S.** to avoid prosecution or custody or confinement after conviction for a crime that is a felony, or in New Jersey, a high misdemeanor;
- the beneficiary is in **violation of a condition of probation or parole**.

If the **beneficiary is receiving payments due to disability or blindness**, you must also report if:

- the beneficiary's **medical condition improves**;
- the beneficiary goes to **work**;
- the beneficiary's **vision improves**, if the beneficiary is entitled due to blindness.

■ **If an organization is receiving SSI payments for a child, is there anything special required?**

If you are a payee for a child receiving SSI payments, you may be required to obtain treatment for the child's disabling condition when medically necessary. If you are not sure whether treatment is required for the beneficiary, you should contact the child's physician and/or your Social Security office. **Failure to obtain medical treatment for the child may require Social Security to remove you as payee.**

### ■ Information regarding the death of a beneficiary

If the beneficiary dies, saved benefits belong to his or her estate. Give the saved benefits to the legal representative of the estate or otherwise handle according to state law. If you need information about state law, contact the probate court or an attorney. Do not return any saved benefits that the beneficiary was due to Social Security.

When a person who receives **Social Security** dies, no check is payable for the month of death, even if he or she dies on the last day of the month. Return any check received for the month of death or later.

An **SSI** check, however, is payable for the month of death. But you must return any SSI checks that come after the month of death.

■ **What is the organizations' liability and responsibility for an overpayment?**

An overpayment is any amount of money received for any period that exceeds the total amount of money that should have been paid. The overpaid amount is a debt owed to the United States Government.

When a beneficiary is overpaid, the current representative payee should file for waiver on behalf of the beneficiary. The waiver request will determine the beneficiary's liability for repayment of the total overpayment amount.

If the beneficiary is overpaid through no fault of your organization and the incorrect payments were used to meet the beneficiary's needs, then you, the payee, will not be liable.

If SSA determines that a former representative payee is liable for repayment of the overpayment (or a portion thereof), recovery is initiated against the former representative payee and not the current representative payee.

In some cases, the beneficiary's benefit payments are suspended or terminated. The beneficiary may request continuation of payment while appealing the cessation of payment. Any resulting overpayment due to losing the appeal may not have to be repaid to SSA.

# **UNIT 6**

## **USE OF BENEFITS**

- What should a representative payee consider when deciding how to spend a beneficiary's money?
- What about beneficiaries who live in nursing homes or other institutions?
- How should organizations handle outstanding debts?
- How should a representative payee spend large sums of money?
- Can a representative payee make large purchases?
- What does an organizational payee need to know about the \$2,000 resource limit for SSI beneficiaries?
- What "out-of-pocket" expenses can an organization be reimbursed for?
- What fees are allowed if an organization is appointed legal guardian?



## **UNIT 6**

### **USE OF BENEFITS**

#### **■ What should a representative payee consider when deciding how to spend a beneficiary's money?**

As a representative payee, you have the responsibility to use the benefits received only for the use and benefit of the beneficiary.

Your first consideration is to make sure that the benefits are used for the beneficiary's current maintenance. Current maintenance includes food, housing, clothing, medical care, and personal comfort items.

If funds remain after meeting the beneficiary's current maintenance needs, give consideration to the beneficiary's reasonably foreseeable needs.

Once the beneficiary's current and foreseeable needs are met, consider:

Whether the beneficiary has any dependents. In title II cases, you may use part of the benefits for the support of the beneficiary's legally dependent spouse, child and/or parent.

Whether a child beneficiary resides in a household with others. You should provide a reasonable share of the child's benefits for basic household expense items such as food and housing.

If it is not needed for these purposes, save it. We recommend U.S. Savings Bonds or in an interest-paying bank account that is insured under either federal or state law.

**Remember:** If an SSI beneficiary has savings of \$2,000 or more they could lose entitlement to SSI benefits. A representative payee should be alert to conserved funds balances getting close to that limit.

Do not sacrifice current maintenance needs to pay other expenses, to conserve or invest, or to accumulate money for a future purpose.

■ **What about beneficiaries who live in nursing homes or other institutions?**

If a beneficiary resides in a nursing home or other institution because of mental or physical incapacity, current maintenance includes the customary charges made by the institution as well as expenditures for those items which will aid in the beneficiary's recovery or release from the institution or expenses for personal needs which will improve the beneficiary's conditions while in the institution.

You should designate a reasonable share of benefits for the institution's customary charges and take the beneficiary's other current needs into account. As a payee, you should not pay an amount for current maintenance in excess of the legal maximum charge established by the State. Any benefits remaining should be conserved or invested except as they may be otherwise properly used.

For these institutionalized beneficiaries, you should also set aside a **minimum of \$30 per person each month** and use it for the beneficiary's personal needs. Almost all beneficiaries need some personal items regardless of their physical or mental conditions.

If an SSI beneficiary is residing throughout a month in an institution that receives more than half the cost of care on behalf of the beneficiary from Medicaid, or private health insurance is paying for a child's care, any SSI

payments due shall be used only for the beneficiary's personal needs. The SSI payment in these situations is usually \$30 per month plus any additional money paid by the State. Use the entire payment for the beneficiary's personal needs or save it on his or her behalf. Do not use it for current maintenance charges.

For Social Security benefits (retirement, survivors or disability) but not SSI, if the current maintenance needs of an institutionalized beneficiary are met (e.g., the beneficiary is in a hospital) part of the funds can be used for the support of the beneficiary's legally dependent spouse, child, and/or parent.

**Please contact your local Social Security office for further information.**

### ■ How should organizations handle outstanding debts?

If the beneficiary's current and reasonably foreseeable needs are met, you may use the beneficiary's funds to satisfy past debt. Past debt is the debt the beneficiary incurred before the date the first benefit payment is made to the current payee. Real estate interest and insurance policy payments are not considered past debt.

If failure to pay past debts could result in negative consequences like homelessness, you should attempt to settle the debts. You do not need SSA's approval to satisfy a past debt if you determine it is in the beneficiary's best interest to do so.

However, if you are a creditor payee (i.e., the beneficiary owes money to your organization for a debt that occurred before the beneficiary's entitlement), then you must first obtain SSA's approval before using the beneficiary's funds to pay the debt.

Social Security and SSI payments are exempt from seizure by creditors.

You are not required to pay the beneficiary's past debt unless it involves:

Refund of a title II or title XVI overpayment;

An IRS levy for income tax purposes; or

Garnishment authorized under Section 459 of the Social Security Act  
(child support and alimony obligations).

### ■ **How should a representative payee spend large sums of money?**

Sometimes the representative payee for a Social Security or SSI beneficiary receives a large payment covering several months, or even years, of benefits. When this happens, it is particularly important for the representative payee to make plans to spend the money wisely. Many payees are unsure about how to use a large sum of money. Keep in mind, your obligation is that you use the money in the best interests of the beneficiary.

Your first priority is to make sure you meet the beneficiary's current needs. This includes food, housing, medical care and other items for the individual's personal comfort.

If there's money left over after you have provided for these basic needs, you can spend the money on things that improve the beneficiary's daily living conditions or provide better medical care. You can also arrange training for the beneficiary to help him or her have a more rewarding future and become more self-sufficient.

You may decide to use the beneficiary's funds for major health-related expenses, such as reconstructive dental care, a motorized wheelchair, rehabilitation expenses or insurance premiums. You can use funds to pay

for special training programs, school tuition or daily school expenses. You also can spend some of the money on recreation such as movies, concerts, magazine subscriptions or a special trip for the beneficiary.

For SSI beneficiaries, any past due benefits you get from SSI or Social Security won't be counted as resources for six months after the month in which you get them. If there are any past due benefits left over after the six-month period, they will count toward the SSI resource limit (\$2,000 for individuals, \$3,000 for couples).



### ■ Can a representative payee make large purchases?

Yes, you may make some of the following special purchases for the comfort of the beneficiary. Again, we expect that you make a purchase like this only when it is in the best interest of the beneficiary.

**A home** -- You can use funds belonging to the beneficiary as the down payment and a reasonable share of the monthly payments on a house owned wholly, or in part, by the beneficiary. (Payee's name cannot be on the deed.)

**Home improvements** -- You may want to arrange renovations to make the beneficiary's home safer and more accessible; for example, install a wheelchair ramp, widen doorways to accommodate a wheelchair, install a chair lift or make household repairs.

**Furniture** -- You may buy furniture for the beneficiary's personal use as well as items that other members of the household can share, such as a television.

**A car** -- The beneficiary's funds can be used for the down payment and reasonable monthly payments on a car used for and owned by the beneficiary.

If you are uncertain about whether an expenditure is proper, contact your Social Security office **before** you fulfill such obligations.

■ **What does an organizational payee need to know about the \$2,000 resource limit for SSI beneficiaries?**

If you are payee for an individual who gets SSI, you should be aware that **savings and other resources are limited to \$2,000 under the SSI program (\$3,000 for a couple)**. To continue receiving SSI, a beneficiary must not have countable resources worth more than \$2,000. For SSI purposes, a resource is money as well as things that the beneficiary owns and can turn into cash. Examples of resources are property, stocks, bonds, and bank accounts.

There are things that the beneficiary owns that may not count as resources for SSI and sometimes the beneficiary might be able to get monthly SSI payments even if he/she owns things valued over the resource limit. You should check with your Social Security office before making a major purchase for an SSI beneficiary.

Interest earned on saving accounts count toward the \$2,000 limit after the month of receipt. When determining a child's resources, money in the child's "dedicated" savings account does not count toward the resource limit.

**See Unit 10 -- Dedicated Accounts**

As an organizational payee, you should know when a beneficiary's resources (conserved funds) approach the \$2,000 limit. You should attempt to find out if they have extra needs; for example, its not yet winter but the beneficiary will need a winter coat this year. You should make the purchase now when the resources are available. If excess resources do accumulate, the beneficiary will no longer be eligible for SSI payments. You must notify SSA immediately if resources reach \$2,000. Some organizations flag the accounts of SSI beneficiaries when conserved funds reach \$1,500. This serves as an alert to assess the personal needs of the beneficiary and maintain countable resources below the \$2,000 limit by meeting these needs.

For more information, contact Social Security for a copy of the booklet, *“What You Should Know When You Get SSI”* (Publication No. 05-11011).

■ **What "out-of-pocket" expenses can an organization be reimbursed for?**

You can be reimbursed from the beneficiary's funds for expenses incurred in providing services for your beneficiary such as postage, long distance phone calls, cost of money orders, transportation costs (e.g., cab fare or mileage), etc. Keep records/receipts of your expenses. **However, if you are collecting a fee for representative payee services**, you are not authorized to be reimbursed for any expenses that are considered "overhead" (e.g., postage, photocopying, etc.); these expenses are included as part of the monthly fee the fee-for-service representative payees are authorized to charge.

■ **What fees are allowed if an organization is appointed legal guardian?**

If you are a court appointed legal guardian for a beneficiary, a reasonable part of the beneficiary's funds may be used for customary guardianship fees, provided the guardianship appears to be in the beneficiary's best interest. These fees must be authorized and monitored by the court.

Paying legal guardianship fees would **not** constitute proper use of benefits in the following situations:

Guardianship costs and fees are included as part of a state's support obligation to the beneficiary, or you have been authorized by SSA to receive a fee for services from the beneficiary;

Costs or fees related to an unsuccessful petition for guardianship; or

The beneficiary's funds will be depleted by the guardianship costs to the point where there are unmet personal needs.

# **UNIT 7**

## **IMPROPER USE AND MISUSE OF BENEFITS**

- **How does SSA handle allegations of improper use and misuse of benefits?**

## **UNIT 7**

### **IMPROPER USE AND MISUSE OF BENEFITS**

#### **■ How does SSA handle allegations of improper use and misuse of benefits?**

SSA may receive complaints from the beneficiary, an authorized representative, vendor or a third party. SSA will investigate allegations and discuss them with the complainant, beneficiary, and payee. Sometimes a call to the organizational payee for an explanation is appropriate, other times a site visit may be necessary. SSA must take the appropriate action to protect the interests of the beneficiary.

Improper use of benefits is an unwise expenditure of benefits in a manner that is not in the beneficiary's best interest. With improper use, the beneficiary still receives a benefit from the expenditure, so it is not considered misuse. For example, the payee takes the beneficiary to the circus instead of buying him needed clothes.

Misuse of benefits occurs when the money is not spent on the beneficiary or saved for future needs--this is very serious and the money must be repaid. SSA decides if misuse has occurred and prepares a misuse determination after evaluating all statements and evidence in conjunction with the established facts of the case.

If misuse is found, SSA may:

Appoint a new payee or make direct payment to the beneficiary.

Obtain restitution from the payee who misused the benefit.

Refer the case to the OIG for possible criminal prosecution.

SSA will then initiate action to recover the misused funds.

If your organization misuses the beneficiary's funds, then you organization has a legal obligation to make restitution to the beneficiary.



# **UNIT 8**

## **BANK ACCOUNTS AND PROPER TITLING OF THESE ACCOUNTS**

- What do you need to know about checking or savings accounts?
- How should a checking or savings account be titled?

## **UNIT 8**

### **BANK ACCOUNTS AND PROPER TITLING OF THESE ACCOUNTS**

#### **■ What do you need to know about checking or savings accounts?**

Organizations may maintain separate bank accounts for each beneficiary or have a collective account for all beneficiaries. To protect the beneficiary's funds, checking and savings accounts **must show the beneficiary as the owner** and that the payee has only a fiduciary and not a personal interest in the funds. Neither the representative payee nor a third party can have ownership interest in the account. While the beneficiary retains ownership, the account title should not permit him or her to have direct access to the funds.

If you have money left after meeting day-to-day and personal needs, **it must be saved or invested with minimum risk**. The preferred ways of holding savings are in U.S. savings bonds or in an interest-paying bank account that is insured under either federal or state law. Interest paid on savings belongs to the beneficiary.

If possible, make every effort to set up an account that minimizes fees, yields interest, and assists you in keeping clear records. If you are serving as a representative payee for a large number of beneficiaries, you may want to set up a collective account, but this will necessitate an accounting system. You must be able to show each beneficiary's receipts, expenditures and balance of funds

**See Unit 9 -- Collective Accounts and Proper Titling  
of these Accounts**

■ **How should a checking or savings account be titled?**

Here are two recommended titles:

“(Beneficiary's name) by (your name), representative payee,” or

“(Your name), representative payee for (beneficiary's name).”

Although these are the most common methods of identifying accounts, other account titles, which show beneficiary ownership, and you as fiduciary, are acceptable. If you are not sure, ask your bank.

# **UNIT 9**

## **COLLECTIVE ACCOUNTS AND PROPER TITLING OF THESE ACCOUNTS**

- What is a "collective account?"
- Are there special rules for collective accounts?
- How should the collective account be titled?

## **UNIT 9**

### **COLLECTIVE ACCOUNTS AND PROPER TITLING OF THESE ACCOUNTS**

#### **■ What is a "collective account?"**

When organizational payees place funds for more than one beneficiary in a single checking or savings account, we refer to it as a “collective account.” Your local Social Security office should give you approval before your organization begins maintaining a collective account. Organizations find it efficient to use a collective account to hold beneficiaries' funds for the following reasons:

Only one bank account to monitor and maintain;

May earn higher interest rate (remember, interest earned on the beneficiaries' account belongs to the beneficiaries; and

May avoid checking account service charges.

■ **Are there special rules for collective accounts?**

Yes, special rules apply to these accounts. We will accept them if they meet the following conditions:

The account is separate from the organization's operating account. Do not commingle beneficiaries' funds with other monies. Log all checks received from SSA and deposit them as soon as possible.

If you have been approved as a fee-for-service payee, deduct your fees and move them into your operating account.

There are clear records showing the amount of each beneficiary's share in the account. Follow consistent procedures for documenting credits and debits of the individual beneficiaries.

For each beneficiary who has \$500 or more, the funds should be placed in an interest bearing account or invested relatively free of risk.

When the money in the account earns interest, credit it to the individual beneficiaries based on their share of money in the account.

Set aside a minimum of \$30 per person each month for the beneficiary's personal needs.

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**COLLECTIVE ACCOUNTS AND PROPER TITLING OF THESE ACCOUNTS**

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Funds belonging to the beneficiary can only be used for his or her needs. You cannot use one beneficiary's funds to cover another beneficiary's expenditures.

Have account records and other supporting records available, if requested by SSA and/or the beneficiary.

A benefit of a collective account: The FDIC insured limit of \$100K applies to each beneficiary in a properly titled collective account.



**■ How should the collective account be "titled"?**

Some examples of collective account titles are:

“Sunnydale Nursing Home, representative payee for Social Security beneficiaries”

“Sunnydale Patients' Fund for Social Security beneficiaries”.

# **UNIT 10**

## **DEDICATED ACCOUNTS**

- **What is a dedicated account?**
- **When can you use dedicated account money?**
- **When can't you use dedicated account money?**

## **UNIT 10**

### **DEDICATED ACCOUNTS**

#### **■ What is a dedicated account?**

Certain large past-due SSI payments to blind or disabled children covering more than six months of benefits must be paid directly into a separate account in a financial institution. This separate account is called a “dedicated account” because these funds can only be used for certain expenses, primarily those related to the child's disability.

Keep dedicated accounts separate from any other savings or checking account set up for the beneficiary. Except for certain subsequent past-due payments, no other funds can be commingled into the account. If funds are commingled, you may adversely affect the child's eligibility for SSI payments. **NOTE:** Multiple dedicated accounts can be held in a collective account.

Money in the dedicated account is not countable as a SSI resource. Interest earned on the money in a dedicated account is not countable as an SSI resource.

The restrictions on the use of dedicated account funds will continue to apply until all funds are spent or the child's eligibility to SSI benefits terminates.

### ■ When can you use dedicated account money?

You can use money from the dedicated account for:

Medical treatment and education or job skills training; or

Items that benefit the child such as personal needs assistance, special equipment, housing modifications, or therapy/rehabilitation; or

Other items or services related to the child's impairment like legal fees incurred by the child in establishing a claim for disabled child's benefits.

**We encourage you to get approval from your local Social Security office if you are uncertain as to whether or not an expenditure is allowed for this category of expenses.** Keep a record of all money taken from this account and receipts for all items or services bought. SSA will periodically ask you to complete a Form SSA-6233 (Representative Payee Report of Benefits and Dedicated Account) to report on the use of funds from the dedicated account.

### ■ When can't you use dedicated account money?

Do not use dedicated account money for:

Basic maintenance costs such as food, housing, clothing and personal items which are not related to the child's impairment;

Repayment of an SSI overpayment; or

Any other item not listed above which is not related to the child's impairment.

Any money knowingly used from the dedicated account for anything other than the expenses shown on the preceding page are considered to be misapplied and must be repaid to SSA from your own funds.

**NOTE:** In an emergency, dedicated account funds can be used for basic living expenses to prevent the child from becoming homeless or malnourished.

# **UNIT 11**

## **KEEPING RECORDS AND ACCOUNTING FOR BENEFITS**

- What records should an organizational payee keep?
- Should an organization develop a representative payee accounting system?
- What is a SSA-623 and SSA-6230?

## **UNIT 11**

### **KEEPING RECORDS AND ACCOUNTING FOR BENEFITS**

**Refer to copies of the "*Guide for Representative Payees*,"  
SSA-623 and SSA-6230**

#### **■ What records should an organizational payee keep?**

Your records must show how much Social Security and/or SSI money you received, spent and saved for each individual beneficiary. Keep records that show savings and expenditures. For example, you should keep bank statements, invoices, receipts, leases, etc. that adequately document your use of the beneficiary's funds. These documents should be kept for a minimum of 2 years.

You are required to account for the funds you have received by completing a Representative Payee Report (Form SSA-623, SSA-6230). You can use the worksheet in the center of the booklet titled "*A Guide for Representative Payees*," to keep track of expenditures. It is divided into 12 monthly entries. When you receive a Representative Payee Report, you can add the amounts in each column of your worksheet and put the total from the worksheet on



the accounting form. You can get additional copies of the worksheet from your local Social Security office. The worksheet can be used as the basis for your own accounting system.

**A discussion on developing an accounting system is on the following page.**

■ **Should an organization develop a representative payee accounting system?**

Your organization **must** establish some form of representative payee accounting system that will track:

- how much money was received;
- how much money was spent; and
- the balance saved for each beneficiary.

We do not tell you how to set up your system. You may wish to use a PC program that will:

- alert you when a SSI beneficiary's conserved benefits is approaching the \$2,000 resource limit;
- prorate interest earned based on each beneficiary's portion of the balance; and
- provide understandable and up-to-date reports so SSA and the beneficiary know how the money was spent.

You should save your records for a least 2 years and make them available to SSA upon request.

### ■ What is a SSA-623 and SSA-6230?

The Social Security Act requires you to account for the funds you have received by completing one of these forms. Annual accountings are required from all representative payees (except State mental hospitals that participate in triennial onsite reviews.)

#### **NOTE:**

Parents, grandparents and stepparents who are payees for children in their custody complete the **SSA-6230**.

Payees of SSI beneficiaries with dedicated accounts complete the **SSA-6233**.

All other payees complete the **SSA-623**.

SSA sends the appropriate form to you to complete. We ask you:

how much of the benefits received was spent,  
what the money was spent on,  
how much was saved and in what type of account.

If you do not provide the requested information within a reasonable period of time, SSA may decide to find another payee. If we change payees and you have served for less than the 12 months, we will ask you to account for

the money you received up to the time we change payees. We will also ask you to return any funds saved for the beneficiary to SSA and we will transfer them to the new payee.

**Hand out examples of these forms or put them into the binder that is given to each organization.**

# **UNIT 12**

## **MONITORING ORGANIZATIONAL PAYEES**

- How does SSA monitor organizational payees?

## **UNIT 12**

### **MONITORING ORGANIZATIONAL PAYEES**

#### **■ How does SSA monitor organizational payees?**

As part of our expanded monitoring program, SSA may visit your organization. If we choose your organization for a visit, we will schedule a meeting with the administrators to discuss your practices, review your financial records and speak with some of your beneficiaries. We follow the procedures listed below:

- Contact your organization to schedule a review,
- Send a confirmation letter to you,
- Meet with your staff,
- Review a sample of beneficiaries' financial records,
- Hold a close-out meeting with your staff to discuss our findings,
- Interview beneficiaries and custodians,
- Send a letter to your organization with our findings and recommendations, and
- Follow-up with your organization if necessary to insure recommendations are implemented.

The purpose of our site review is to determine:

- If benefits are being used properly;
- If accurate records are being kept; and
- If your organization is reporting necessary changes to SSA.

We have found that our face-to-face meetings provide an excellent opportunity to clarify procedures and explain our reporting requirements. It also improves lines of communication between organizations and SSA and provides you the opportunity to discuss services or information you may need from us.

Listed below are some problems identified during our reviews.

- Payees who did not monitor resource limits of SSI beneficiaries (in order to prevent exceeding the \$2,000 limit);
- Failure to report changes to SSA that affect entitlement to benefits;
- Improper titling of bank accounts;
- Commingling of beneficiaries' funds; and
- Poor recordkeeping.

**Ask if SSA has visited any organizations in the audience and if so, if any would like to share their experiences/feelings about the visit.**

**Fee-for-service visits are discussed in Unit 18.**

# **UNIT 13**

## **PAYMENT FOR REPRESENTATIVE PAYEE SERVICES (FEE-FOR-SERVICE)**

- What is a "fee-for-service" organization?
- How does an organizational payee receive authorization to collect a fee?
- What are the current fee amounts?
- When can an organization begin collecting a fee?
- When can't a fee for payee services be collected?
- How does SSA monitor a fee-for-service payee?



## **UNIT 13**

### **PAYMENT FOR REPRESENTATIVE PAYEE SERVICES (FEE-FOR-SERVICE)**

#### **■ What is a "fee-for-service" organization?**

Certain qualified organizations **may be authorized** to collect a fee from a beneficiary's monthly Social Security or SSI payment. The fee is intended to cover expenses incurred in providing payee services to that beneficiary.

To qualify as a fee-for-service organization, you must be:

A community based, nonprofit social service agency, which is bonded or licensed in the state in which it serves as payee;

A state or local government agency with responsibility for income maintenance, social service, health care, or fiduciary responsibilities; and

Regularly serving as a representative payee for at least five beneficiaries, and are not a creditor of the beneficiary.

■ **How does an organizational payee receive authorization to collect a fee?**

You must contact your local Social Security office to **request authorization** and submit documentation for SSA to approve. The request must include all the information and documents listed below:

Your Employer Identification Number (EIN);

Your organization's statement of purpose (mission statement);

Your organization's service area (e.g., the neighborhoods, cities, counties served);

A list of the names, Social Security numbers, and residence addresses of beneficiaries for whom you are already serving as a representative payee;

A statement as to whether or not your organization currently charges any of the beneficiaries for its services; and

The signature of the director of your organization or of another individual who can legally act for the organization.

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**PAYMENT FOR REPRESENTATIVE PAYEE SERVICES (FEE-FOR-SERVICE)**

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If your organization is **NOT** a state or local government agency, you must also include the following documents with the request:

Proof of tax-exempt status under section 501(c) of the Internal Revenue Code; and

A copy of your organization's current bonding agreement with an insurance company or mortgage holder. (The type of bond requested is one that guarantees payment to the organization for unforeseen financial loss through the actions of a corporate officer or employee dishonesty.); or

If your organization is not bonded, you must submit a copy of the organization's current state license, certificate or notice that allows it to provide services within the State.

■ **What are the current fee amounts?**

Effective December 2000, the authorized fee is the **lesser** of 10% of the monthly benefit amount or \$29.

For individuals receiving disability payments who have been determined by SSA to have a drug addiction or alcoholism condition, the fee is the **lesser** of 10% of the monthly benefit amount or \$56.

Fees may be increased when Social Security beneficiaries are given their cost of living adjustment. We will notify authorized fee-for-service payees by mail when these amounts are increased.

■ **When can an organization begin collecting a fee?**

You can charge the beneficiary a fee for any month in which:

You meet all qualification requirements **AND** have been authorized by SSA to collect a fee; and

The beneficiary receives a Social Security and/or SSI payment; and

The organization is performing payee services for the beneficiary.

■ **When can't a fee for payee services be collected?**

Do not collect a fee if any of the following apply:

No payment is received in the month,

Your organization is receiving compensation for performing representative payee services from another source (i.e., guardianship fees);

Payee services were not performed in the month; and

Fees for prior months cannot be collected from current benefits.

**NOTE:** There is an exception -- an organization may collect a fee from current benefits when a past due payment is made for a prior period of nonpayment or incorrect payment **AND**

The organization was approved to collect a fee for the months for which the payment is made;

The organization provided payee services in the months for which payment is made; and

The organization is payee of record when the past due payment is received.

### ■ How does SSA monitor a fee-for-service payee?

SSA monitors a fee-for-service payee through accounting reports **and** site visits. We will visit fee-for-service payees six months after we initially approve authorization to ensure that you fully understand your duties and responsibilities and are keeping accurate records and notifying SSA when events occur that may affect a beneficiary's payment.

There is also an annual certification. This is when a fee-for-service payee must show that they continue to meet the requirements for charging a fee. SSA will need a copy of the organization's current licensing and/or bonding agreement and we will verify that the organization continues to be payee for at least five beneficiaries.

In addition, SSA will review fee-for-services payees at least once every three years. The reviews will ensure representative payee compliance through a face-to-face meeting and examination of a sample of beneficiary records. We will verify expenses with providers of the services provided to the beneficiary (e.g., landlord, phone company, etc.). We will review the organization's record keeping and we will include interviews with beneficiaries.

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**PAYMENT FOR REPRESENTATIVE PAYEE SERVICES (FEE-FOR-SERVICE)**

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We have found that our face-to-face meetings provide an excellent opportunity to clarify procedures and explain our reporting requirements. It also improves lines of communication between organizations and SSA and gives you an opportunity to discuss information you may need from us and to ask questions.

Below are some of the problems identified during our reviews.

Payees who did not monitor resource limits of SSI beneficiaries (in order to prevent exceeding the \$2,000 limit);

Failure to report changes to SSA that affect entitlement to benefits;

Improper titling of bank accounts;

Commingling of beneficiaries' funds;

Poor record keeping;

Overcharging of fee amount;

Expiration of bond and/or license; and

Serving less than 5 beneficiaries.

**Ask if SSA has visited any fee-for-service organizations in the audience. If yes, ask if they would like to share their experience with the group.**



# **UNIT 14**

## **DIRECT DEPOSIT**

- **Can an organization have a beneficiary's benefits sent directly to a bank account -- "Direct Deposit?"**

## **UNIT 14**

### **DIRECT DEPOSIT**

- **Can an organization have a beneficiary's benefits sent directly to a bank account -- "Direct Deposit?"**

Yes, it is a good idea to ask Social Security to send the payments to a bank account by direct deposit. Direct deposit is safe, reliable, economical and convenient.

#### **Advantages:**

It reduces the possibility of lost, stolen or forged checks.

There are no mail delays.

The payments are traceable through the banking system. In the rare event of a problem, it usually can be quickly resolved.

There is a permanent record on the bank account statement of the payment amount received each month.

You may be able to save monthly account fees if you bank with a financial institution that offers free services to direct deposit customers.

Contact your local Social Security office or financial institution if you want to sign up for direct deposit.

# **UNIT 15**

## **BEST PRACTICES**

- **What are some "Best Practices" that organizational payees have shared?**

## **UNIT 15**

### **BEST PRACTICES**

#### **■ What are some "Best Practices" that organizational payees have shared?**

Listed below are some “Best Practices” that organizations have shared with us. You may also find them useful.

1. Establish a line of communication with your local Social Security office.
2. Some organizations flag the financial accounts of SSI beneficiaries when conserved funds reach \$1,500. This serves as an alert to assess the personal needs of the beneficiary and maintain countable resources below the \$2,000 limit by meeting these needs.
3. Call the Social Security office and schedule an appointment to come into the office and take care of all your business for your clients at one time.
4. Discuss with your local Social Security office the types of forms you should use to advise SSA of changes affecting beneficiaries. You may be able to “package” materials in such a way that when the local office receives them they can more quickly take the necessary actions.

5. Some Social Security offices are able to designate a contact person for specific organizational payees. When you call the office, you can ask for this person and they will advise you how to proceed.
6. Some representative payees have negotiated arrangements with local merchants to purchase goods such as food, clothing or household furnishings. The beneficiary can select his or her items and buy them with a pre-approved credit voucher or after the merchant verifies the purchase with the representative payee. Alcohol is excluded from these arrangements.
7. Representative payees have negotiated with financial institutions to provide checking accounts with no or reduced service charges. An organization with a substantial number of beneficiaries may be able to get a more favorable group rate.
8. Some organizations use a “contract” between the organization and the beneficiary to ensure cooperation. It is not required, but many organizations have found it useful. (A copy follows at the end of this Unit.)

9. You may wish to use a “Change of Events -- Representative Payee Reporting Form” when sending information to your local SSA office. (A copy follows at the end of this Unit.)

**Pass out a copy of the sample contract.**

## CONTRACT

I have discussed my needs with [Name of Organization Staffer]. I agree to have [Name of [Organization]] serve as my representative payee for Social Security and/or SSI payments.

I will:

- Be clean and sober when I come to conduct business,
- Treat staff with courtesy and respect,
- Come to conduct business only on [days and hours organization has set up],
- Receive \$[amount] for spending money every [length of time] as agreed, and
- Sign a receipt when I receive my spending money.

In the event of a financial emergency: [Organization's Provision].

I understand that if I fail to comply with these rules, [Organization] may refuse to continue to serve as my representative payee.

[Organization] will:

- Treat me with courtesy and respect;
- Be available on [days and hours] to meet with me;
- Use funds received on my behalf to meet my current needs for food, clothing and housing;
- Report to SSA any events that may affect my eligibility for payments or payment amount; and
- Account to the Social Security Administration (SSA) on how my money has been spent or saved;
- Save any unspent funds, if any, in a way that clearly shows the funds belong to me; and
- Return to SSA any funds that have been saved for me or to which I am not entitled.

-----  
Beneficiary  
Signature and Date

-----  
Organization  
Signature and Date

## CHANGE OF EVENTS - REPRESENTATIVE PAYEE REPORTING FORM

**DATE:**

**TO: SSA**

Address

FAX: ( ) \_\_\_\_\_

**NAME OF BENEFICIARY** \_\_\_\_\_ **SSN/CAN:** \_\_\_\_\_

Please check the appropriate box:

☐ Beneficiary died    Date of death : \_\_\_\_\_

☐ Beneficiary discharged/or left your custody    Date of discharge/left : \_\_\_\_\_

☐ Beneficiary's new address:

\_\_\_\_\_

\_\_\_\_\_

☐ Beneficiary entered the hospital    Date of admission : \_\_\_\_\_

☐ Beneficiary discharged from hospital    Date of Discharge : \_\_\_\_\_

☐ Discharged to (if known) : \_\_\_\_\_

\_\_\_\_\_  
**Signature of Administrator    Date**



# **UNIT 16**

## **INFORMATION**

■ Do you need more information?

## **UNIT 16**

### **INFORMATION**

#### **■ Do you need more information?**

You can get recorded information 24 hours a day, including weekends and holidays, by calling Social Security's toll-free number, **1-800-772-1213**.

You can speak to a service representative between the hours of 7 a.m. and 7 p.m. on business days. Our lines are busiest early in the week and early in the month, so if your business can wait, it's best to call at other times.

You can also reach us on the Internet. Type <http://www.ssa.gov> to access Social Security information. You can also type <http://www.ssa.gov/payee> to access representative payment information.

## **CONCLUSION**

We hope that this workshop/conference has been helpful. Your organization can make a difference in the lives of clients who need payee services. Social Security will make every effort to help you understand your responsibilities as a payee.

We can make a difference by working together to serve “our” clients.

If you have additional questions after reviewing our pamphlets and handouts, please give us a call at (local office number). You can also obtain information from our representative payment website at <http://www.ssa.gov/payee>.